

July 1, 2004

Ms. Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, DC 20551

Re: Docket No. OP-1196

Dear Ms. Johnson:

I appreciate the opportunity to comment on the Federal Reserve Board's study of the adequacy of existing disclosures on debit card fees. On behalf of Neighborhood Credit Union in Dallas, Texas, we believe that the current disclosures required by the Electronic Funds Transfer Act (EFTA) for fees imposed on debit card transactions are sufficient and appropriately inform the consumer.

The initial disclosure is effective in advising the consumer at the beginning of an account relationship, defining the nature of charges that will be incurred for specific services. When a transaction occurs, the periodic statement discloses the amount of the fee and, in the case of Neighborhood Credit Union, the fee is disclosed separately with each transaction. Therefore, a consumer can readily determine why the fee is charged. Although we list each fee with the transaction on our periodic statements, we believe that an aggregate total of all EFT fees as allowed by EFTA are also adequate. A summary of all fees for the period and calendar year-to-date is a nice modification, but would be used infrequently. Consumers view these fees as the price for convenience and most would likely not spend precious time tracking these amounts.

Requiring a receipt at a merchant's electronic terminal to disclose a fee charged by the account-holding institution would provide little value to the consumer and we urge you not to make any changes in this area. It would be confusing, giving the consumer the idea that the fee is being charged by the merchant. Furthermore, the systems needed to implement something of this nature could be expensive. Many financial institutions, such as Neighborhood Credit Union, discount a debit fee or allow a certain number free of charges. Can you imagine what it would take to implement a feature such as this one while making the proper disclosure on a merchant receipt?

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Cumulatively, the initial disclosures, along with the periodic statement disclosures, are effective in communicating what is being charged to the consumer and, in our view, needs no other modifications. Today's consumer is inundated with paper and is frequently on information overload. Adding more disclosures would do little in giving real value to the consumer and would complicate what is now a very simple and convenient service. We encourage you to maintain the current disclosure requirements.

Thank you for your time and consideration.

Sincerely,

Chet Kimmell
President/CEO

cc: Suzanne Yashewski
Texas Credit Union League

Credit Union National Association